



General Assembly

## ***Amendment***

***February Session, 2018***

**LCO No. 4131**



Offered by:

REP. ROJAS, 9<sup>th</sup> Dist.

SEN. FONFARA, 1<sup>st</sup> Dist.

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To: Subst. House Bill No. **5429**

File No. 637

Cal. No. 417

***"AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES' RECOMMENDATIONS FOR INCREASED PENALTIES FOR CERTAIN CIGARETTE AND TOBACCO TAX VIOLATIONS."***

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Section 12-330c of the 2018 supplement to the general  
4 statutes is repealed and the following is substituted in lieu thereof  
5 (*Effective July 1, 2018*):

6 (a) (1) A tax is imposed on all untaxed tobacco products held in this  
7 state by any person. Except as otherwise provided in [subdivision]  
8 subdivisions (2) and (3) of this subsection, [with respect to the tax on  
9 cigars, or in subdivision (3) of this subsection with respect to the rate of  
10 tax on snuff tobacco products,] the tax shall be imposed at the rate of  
11 fifty per cent of the wholesale sales price of such products.

12 (2) Notwithstanding the provisions of subdivision (1) of this

13 subsection, in the case of cigars the tax shall not exceed fifty cents per  
14 cigar.

15 (3) The tax shall be imposed on snuff tobacco products, on the net  
16 weight as listed by the manufacturer, as follows: Three dollars per  
17 ounce of snuff and a proportionate tax at the like rate on all fractional  
18 parts of an ounce of snuff.

19 (b) [Such] (1) Except as provided in subdivision (2) of this  
20 subsection, such tax shall be imposed on the distributor or the  
21 unclassified importer at the time the tobacco product is manufactured,  
22 purchased, imported, received or acquired in this state.

23 (2) Cigars owned by a distributor that are located on the premises of  
24 a person who performs fulfillment services in this state for such  
25 distributor and (A) are exported from this state shall not be subject to  
26 the tax imposed by this chapter, or (B) are shipped, delivered or  
27 otherwise transferred to a Connecticut address shall be subject to the  
28 tax imposed by this chapter and such tax shall be imposed on the date  
29 of such shipment, delivery or transfer and paid with, and reported by  
30 such distributor on, the return prescribed under section 12-330d that  
31 corresponds to the month such shipment, delivery or transfer  
32 occurred. For purposes of this subdivision, "fulfillment services" means  
33 services that are performed by a person on the premises of such person  
34 on behalf of a distributor and that involve the receipt of orders from  
35 such distributor or an agent thereof, which orders are to be filled by  
36 the person from an inventory of cigars that are offered for sale by such  
37 distributor, and the shipment of such orders to customers of such  
38 distributor.

39 (3) The commissioner may require the person who performs  
40 fulfillment services to file a quarterly informational return with the  
41 commissioner with respect to cigars located on the premises of such  
42 person, containing such information as the commissioner may  
43 prescribe.

44 (c) Such tax shall not be imposed on any tobacco products that (1)

45 are exported from [the] this state, or (2) are not subject to taxation by  
46 this state pursuant to any laws of the United States.

47 (d) Any tax imposed under this chapter shall be reduced by fifty per  
48 cent for any product the Secretary of the United States Department of  
49 Health and Human Services determines to be a modified risk tobacco  
50 product pursuant to 21 USC 387k, as amended from time to time."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	July 1, 2018	12-330c